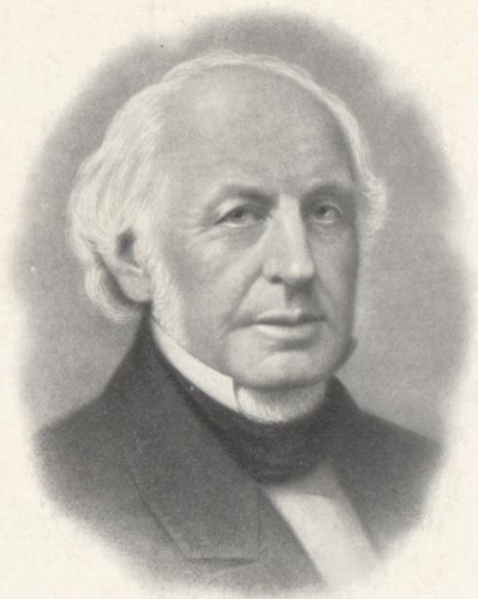


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ANNUAL REPORT

THE
BALDWIN LOCOMOTIVE
WORKS

CONSOLIDATED



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Philadelphia, Pa.
U. S. A.

MRS
CORP. FILE

DECEMBER 31, 1930

Twentieth Annual Report

THE BALDWIN LOCOMOTIVE WORKS

Consolidated With

STANDARD STEEL WORKS
COMPANY

BALDWIN - SOUTHWARK CORPORATION

THE
MIDVALE COMPANY

and

SUBSIDIARIES



December 31
1930

THE BALDWIN LOCOMOTIVE WORKS

Incorporated under the Laws of the State of Pennsylvania

June 7, 1911

DIRECTORS

SAMUEL M. VAUCLAIN
WILLIAM E. COREY
SYDNEY E. HUTCHINSON
SIDNEY F. TYLER
B. DAWSON COLEMAN
ARTHUR W. SEWALL
THOMAS S. GATES
FRANCIS M. WELD
ALVA C. DINKEY
FRED J. FISHER
ARTHUR W. CUTTEN
JOSEPH N. EWING
GEORGE H. HOUSTON
EDWARD F. FISHER
THOMAS NEWHALL
JOSEPH WAYNE, JR.

Rosemont, Pa.
New York City
Philadelphia
Philadelphia
Lebanon, Pa.
Philadelphia
Philadelphia
New York City
Philadelphia
Detroit
Chicago
Philadelphia
Philadelphia
Detroit
Philadelphia
Philadelphia

OFFICERS

SAMUEL M. VAUCLAIN
GEORGE H. HOUSTON
JOHN P. SYKES
ARCHIBALD H. EHLE
JACQUES L. VAUCLAIN
HARRY GLAENZER
CHARLES E. ACKER
ARTHUR L. CHURCH
CARLOS F. NOYES

Chairman of the Board
President
Vice-President
Vice-President in Charge of Sales
Vice-President and Works Manager
Vice-President in Charge of Engineering
Treasurer
Secretary
Comptroller

GENERAL COUNSEL

MORGAN, LEWIS & BOCKIUS
Philadelphia

PLANT AT BALDWIN

EDDYSTONE, PENNSYLVANIA

STANDARD STEEL WORKS COMPANY

Incorporated under the Laws of the State of Pennsylvania
December 20, 1907

DIRECTORS

SAMUEL M. VAUCLAIN
SYDNEY E. HUTCHINSON
SIDNEY F. TYLER
B. DAWSON COLEMAN
ARTHUR W. SEWALL
GEORGE H. HOUSTON
THOMAS NEWHALL

Rosemont, Pa.
Philadelphia
Philadelphia
Lebanon, Pa.
Philadelphia
Philadelphia
Philadelphia

OFFICERS

SAMUEL M. VAUCLAIN
GEORGE H. HOUSTON
JOHN P. SYKES
FRANK K. METZGER
CHARLES E. ACKER
ARTHUR L. CHURCH
CARLOS F. NOYES

Chairman of the Board
President
Vice-President
Vice-President and General Manager
Treasurer
Secretary
Comptroller

PLANT

BURNHAM, MIFFLIN COUNTY
PENNSYLVANIA

BALDWIN-SOUTHWARK CORPORATION

Incorporated under the Laws of the State of Delaware
October 23, 1929

DIRECTORS

SAMUEL M. VAUCLAIN
GEORGE H. HOUSTON
SYDNEY E. HUTCHINSON
SIDNEY F. TYLER
B. DAWSON COLEMAN
ARTHUR W. SEWALL
WILLIAM H. HARMAN
JOHN P. SYKES
FRANCIS B. BRACKEN
THOMAS NEWHALL

Rosemont, Pa.
Philadelphia, Pa.
Philadelphia, Pa.
Philadelphia, Pa.
Lebanon, Pa.
Philadelphia, Pa.
Merion, Pa.
Wallingford, Pa.
Philadelphia, Pa.
Ithan, Pa.

OFFICERS

SAMUEL M. VAUCLAIN
GEORGE H. HOUSTON
JOHN P. SYKES
WILLIAM H. HARMAN
CHARLES E. ACKER
ARTHUR L. CHURCH
CARLOS F. NOYES

Chairman of the Board
President
Vice-President
Vice-President and General Manager
Treasurer
Secretary
Comptroller

PLANT AT BALDWIN

EDDYSTONE, PENNSYLVANIA

THE MIDVALE COMPANY

Incorporated under the Laws of the State of Delaware
March 28, 1923

DIRECTORS

B. DAWSON COLEMAN
ALVA C. DINKEY
HARRY L. FREVERT
STUART HAZLEWOOD
GEORGE H. HOUSTON
JAMES M. MILLIKEN
THOMAS NEWHALL
ARTHUR W. SEWALL
JOHN P. SYKES
SIDNEY F. TYLER
SAMUEL M. VAUCLAIN
JACQUES L. VAUCLAIN
JOSEPH WAYNE, JR.

Lebanon, Pa.
Philadelphia
Philadelphia
Philadelphia
Philadelphia
Philadelphia
Ithan, Pa.
Philadelphia
Philadelphia
Philadelphia
Rosemont, Pa.
Haverford, Pa.
Philadelphia

OFFICERS

THOMAS NEWHALL
ALVA C. DINKEY
HARRY L. FREVERT
STUART HAZLEWOOD
JAMES M. MILLIKEN
JOS. P. COONAHAN

Chairman of the Board
President
Vice-President in Charge of Operations
Vice-President in Charge of Sales
Secretary and Treasurer
Purchasing Agent

PLANT

NICETOWN, PHILADELPHIA

THE BALDWIN LOCOMOTIVE WORKS

General Offices of the Company

123 South Broad Street, Philadelphia

Cable Address: "BALDWIN," Philadelphia

TRANSFER AGENTS

IN PHILADELPHIA: Fidelity-Philadelphia Trust Company, 135 South Broad Street

IN NEW YORK: Bankers Trust Co., 16 Wall Street

REGISTRARS OF STOCK

IN PHILADELPHIA: The Pennsylvania Company for Insurances on Lives and Granting Annuities, 15th and Chestnut Streets

IN NEW YORK: Guaranty Trust Company of New York, 140 Broadway

DISTRICT MANAGERS

| | | |
|---------------------|-------------------|--------------------------|
| Chicago, Ill. | CHARLES RIDDELL | 627 Railway Exchange |
| New York, N. Y. | JOSEPH F. HOERNER | 120 Broadway |
| Portland, Ore. | A. J. BEUTER | 313 American Bank Bldg. |
| Richmond, Va. | W. B. KEYS | 512 Richmond Trust Bldg. |
| St. Louis, Mo. | A. S. GOBLE | 1010 Pine Street |
| San Francisco, Cal. | LATHAM McMULLIN | 2910 Russ Building |

REPRESENTATIVES AND AGENTS

| | | |
|----------------|---|--|
| Africa (South) | THE BALDWIN LOCOMOTIVE WORKS (S. A.) LTD. | North British Building, Johannesburg |
| Argentina | CLYDE G. PINNEY | Avenida Presidente Roque Saenz, Peña 636, Buenos Aires |
| Australia | R. TOWNS & Co. | 31 Reiby Lane, Sydney, New South Wales |
| Australia | NEWELL & Co., PTY., LTD. | 189 King Street, Melbourne, Victoria |
| Australia | LESLIE & Co. | 959-61 Hay Street, Perth, Western Australia |

| | | |
|---|--|---|
| Brazil | BALDWIN LOCOMOTIVE WORKS OF BRAZIL, INC. | Rua da Alfandega 48, Rio de Janeiro |
| Brazil | CORY BROS. & Co., LTD. | Bahia and Pernambuco |
| Central America and Northern South America | A. B. HARDIE <i>Technical Representative</i> | |
| Chile | CLYDE G. PINNEY | Edificio de The National City Bank of New York, Santiago |
| China | E. P. WILLIAMS, JR. <i>Technical Representative</i> ANDERSEN, MEYER & Co., LTD. | Shanghai Shanghai |
| Colombia | VLADIMIR WELTSCHKEFF | Apartado 1659, Bogota |
| Cuba | BALDWIN LOCOMOTIVE WORKS OF CUBA | Corner Habana and O'Reilly Streets, Havana |
| European Continent (Excluding Russia and Scandinavia) | PAUL NEGRIER | 42 bis Blvd. Richard-Lenoir, Paris |
| Great Britain | DAVIS & LLOYD | 26 Victoria Street, London, S. W. 1 |
| Hawaiian Islands | J. A. GOOD <i>Technical Representative</i> C. BREWER & Co., LTD. | Honolulu Honolulu |
| India | L. BROOKE EDWARDS | 5 Dalhousie Square, Calcutta |
| Japan | FRAZAR & Co. | Tokyo |
| Mexico | PAUL G. CHEATHAM | 2a Capuchinas, 48, D. F. Mexico City |
| New Zealand | PHILIPS & PIKE, LTD. | Wellington |
| Peru | PEDRO MARTINTO & Co. | Apartado 146, Lima |
| Philippines | E. P. WILLIAMS, JR. <i>Technical Representative</i> PACIFIC COMMERCIAL Co. | Manila Manila |
| Porto Rico and Do- minican Republic | R. CARRIÓN | Bank of Nova Scotia Bldg., San Juan |
| Portugal | E. PINTO BASTO & Co., LTD. | 64 Caes do Sodre, Lisbon |
| Scandinavia | OLAV BELSHEIM | Toldbogaden No. 8, Oslo, Norway |
| Venezuela, Trinidad and Lesser Antilles | T. D. DREW-BEAR | Apartado 346, Maracaibo |

To the Stockholders of The Baldwin Locomotive Works

The President submits his report of the business of the company for the fiscal year ended December 31, 1930, presenting:—

Summary of Operations for past years, page 11.

Consolidated Balance Sheet as of December 31, 1930,
pages 12 and 13.

Consolidated Statements of Profit and Loss and
Surplus for the year 1930, page 14.

Auditors' Report, page 15.

These statements include the operations of your company in the locomotive business and the operations of its wholly owned subsidiaries, Standard Steel Works Company and Baldwin-Southwark Corporation; also the business of The Midvale Company of which your company owns a majority of the capital stock.

The locomotive business was carried on at satisfactory volume during the early part of 1930, your company having entered the year with a large volume of orders on its books. Little new locomotive business was available for the second half, however, and your company enters the new year with few orders booked for future delivery.

The volume of sales of the Standard Steel Works Company for the first half was not much below those

of the previous year for the same period, but orders for the second half fell off rapidly due to the decrease in new locomotives ordered and in the purchase of parts by the railroads for locomotive maintenance.

The manufacturing facilities of the Southwark Foundry & Machine Company, a wholly owned subsidiary of Baldwin-Southwark Corporation, were removed during the past year to their new location at Eddystone and a substantial amount of new equipment was added. As of December 31st, all of the assets of the Southwark Foundry & Machine Company were acquired directly by Baldwin-Southwark Corporation and hereafter this business will be carried in the name of Baldwin-Southwark Corporation. The volume of Southwark business was satisfactory during the early part of the past year, but in the second half new orders have been in small volume and the company has greatly reduced its operations.

The Midvale Company has just completed one of the most successful years of its history since the war period, and enters the new year with a substantial volume of orders on hand although much smaller than that with which it entered the year 1930.

The construction of the Eastern plant of General Steel Castings Corporation adjacent to the Eddystone plant of your company has been practically completed during the past year and is now in operation.

In March your company sold \$12,000,000 face value of 3-year notes, the proceeds of which were used in large part to refund loans incurred in the construction of its Eddystone plant and in the acquisition of its interest in General Steel Castings Corporation.

Respectfully submitted,

GEORGE H. HOUSTON,
President.

February 10, 1931.

THE BALDWIN LOCOMOTIVE WORKS

Summary of Operations, July 1, 1911—December 31, 1930

| Year | Gross Sales | Profit | Reserves, Etc. | Dividend | Surplus For Year | Adjustments | Surplus |
|-------------------|------------------|------------------|----------------|-----------------|------------------|-----------------|---------------|
| 1911 (6 mos.) | \$14,589,645.26 | \$1,671,419.32 | ..... | \$900,000.00 | \$771,419.32 | ..... | \$771,419.32 |
| 1912 | 28,924,335.16 | 3,698,571.44 | ..... | 1,800,000.00 | 1,898,571.44 | ..... | 2,669,990.76 |
| 1913 | 37,630,969.21 | 4,017,800.33 | ..... | 1,800,000.00 | 2,217,800.33 | ..... | 4,887,791.09 |
| 1914 | 13,616,163.36 | 365,229.92 | \$15,000.00 | 1,800,000.00 | 1,449,770.08* | ..... | 3,438,021.01 |
| 1915 | 22,083,011.06 | 2,867,816.17 | 40,000.00 | 1,400,000.00 | 1,427,816.17 | ..... | 4,865,837.18 |
| 1916 | 59,219,057.99 | 9,444,641.91 | 3,960,854.87 | 1,400,000.00 | 4,083,787.04 | ..... | 8,949,624.22 |
| 1917 | 98,263,865.33 | 11,193,840.66 | 2,888,118.36 | 1,400,000.00 | 6,905,722.30 | \$15,800,000.00 | 55,346.52 |
| 1918 | 123,179,251.99 | 18,262,112.05 | 15,009,816.51 | 1,400,000.00 | 1,852,295.54 | ..... | 1,907,642.06 |
| 1919 | 84,307,776.72 | 8,871,243.30 | 3,095,000.00 | 2,100,000.00 | 3,676,243.30 | 970,527.60 | 6,554,412.96 |
| 1920 | 73,542,666.49 | 8,407,269.75 | 3,978,751.03 | 2,800,000.00 | 1,628,518.72 | 2,830,505.69 | 11,013,437.37 |
| 1921 | 49,945,506.24 | 8,962,273.10 | 3,918,176.63 | 2,800,000.00 | 2,244,096.47 | ..... | 13,257,533.84 |
| 1922 | 33,087,258.62 | 6,765,514.43 | 1,558,995.38 | 2,800,000.00 | 2,406,519.05 | 3,266,725.00 | 18,930,777.89 |
| 1923 | 102,762,075.28 | 11,931,521.93 | 8,215,057.62 | 2,800,000.00 | 916,464.31 | ..... | 19,847,242.20 |
| 1924 | 26,080,352.27 | 1,920,026.77 | 600,000.00 | 2,800,000.00† | 1,320,026.77 | ..... | 18,367,268.97 |
| 1925 | 27,876,064.14 | 196,563.95 | ..... | 2,800,000.00† | 196,563.95 | 2,800,000.00† | 15,763,832.92 |
| 1926 | 47,891,668.91 | 6,492,422.39 | 608,515.42 | 2,800,000.00† | 5,883,906.97 | 2,800,000.00† | 18,847,739.89 |
| 1927 | 32,901,143.07 | 3,705,446.70 | 1,263,246.87 | 2,800,000.00† | 2,442,199.83 | 5,437,881.01§ | 15,852,038.71 |
| 1928 | 22,531,349.44 | 932,210.96 | 600,000.00 | 2,800,000.00† | 332,210.96 | 3,074,377.08\|\| | 13,109,892.59 |
| 1929 ^o | 42,796,587.76 | 4,651,920.01 | 2,351,457.18⊖ | 2,837,629.11† | 2,300,462.83 | 258,420.22 | 23,431,001.11 |
| 1930 ^o | 49,872,455.61 | 5,457,852.50 | 2,421,228.65⊖ | 2,831,512.67 | 205,111.18 | 70,039.50 | 23,706,151.79 |
| | \$991,101,223.92 | \$119,815,697.59 | | \$44,869,141.78 | | | |

* Deficit.

† From Reserves.

‡ For Dividends Subsequent Year.

§ Dividends 1928 and Accumulated Depreciation.

|| Dividends 1929 and Accumulated Depreciation.

⊖ Consolidated.

⊖ Depreciation and Midvale Minority Equity.

THE BALDWIN LOCOMOTIVE WORKS

Consolidated

December

ASSETS

| | | |
|---|----------------------|-------------------------|
| Property, Plant and Equipment | \$70,041,948.09 | |
| Less—Reserve for Depreciation | <u>17,161,687.77</u> | \$52,880,260.32 |
| First Mortgage Bond Sinking Fund | | 5,898,034.33 |
| Investments: | | |
| General Steel Castings Corporation, common stock | \$5,000,000.00 | |
| Notes and Stock of The Baldwin Locomotive Works (market value at December 31, 1930, \$1,464,000) | 1,768,937.83 | |
| Other Investments | <u>1,009,526.74</u> | 7,778,464.57 |
| Notes and Other Non-current Credit Instruments and Accounts Receivable (including Foreign Government Railway notes \$2,338,187.76 and all items maturing subsequent to 1931) | | 5,045,562.68 |
| Current Assets: | | |
| Cash in Banks and on Hand | \$12,703,575.30 | |
| United States Treasury Notes | 750,000.00 | |
| Sundry Securities (market value at December 31, 1930, \$985,083) | 1,058,261.46 | |
| Notes and Other Credit Instruments Receivable, due in 1931 | 968,756.71 | |
| Accounts Receivable, due in 1931 | 4,380,123.21 | |
| Inventories, at the lower of cost or market | <u>8,234,676.72</u> | 28,095,393.40 |
| Deferred Charges | | 453,995.07 |
| | | <u>\$100,151,710.37</u> |

COMOTIVE WORKS

Balance Sheet

31, 1930

LIABILITIES

| | |
|--|-----------------|
| First Mortgage 5% Sinking Fund Gold Bonds, due 1940. | \$10,000,000.00 |
|--|-----------------|

| | |
|---|---------------|
| Three-year 5½% Gold Notes, due March 1, 1933..... | 12,000,000.00 |
|---|---------------|

Current Liabilities:

| | | |
|-----------------------------------|-------------------|--------------|
| Accounts Payable | \$1,034,005.09 | |
| Accrued Accounts | 1,184,684.68 | |
| Employees' Savings Accounts | 869,187.36 | |
| | <u> </u> | 3,087,877.13 |

| | |
|--|--------------|
| Reserves for Contingencies and Bad Debts, Miscellaneous Reserves and Deferred Credits | 3,370,736.19 |
|--|--------------|

| | |
|--|--------------|
| Equity of Minority Stockholders in the Capital Stock and Surplus of The Midvale Company | 6,911,945.26 |
|--|--------------|

Capital Stock and Surplus of The Baldwin Locomotive Works:

| | |
|---|---------------|
| Preferred Stock—7% Cumulative—Authorized and Issued—200,000 shares of \$100 each | 20,000,000.00 |
|---|---------------|

Common Stock of No Par Value:

| | | |
|--|-------------------|-------------------------|
| Authorized—2,000,000 shares | | |
| Issued—843,000 shares | \$21,075,000.00 | |
| Surplus as per annexed statement | 23,706,151.79 | |
| | <u> </u> | 44,781,151.79 |
| | | <u>\$100,151,710.37</u> |

THE BALDWIN LOCOMOTIVE WORKS

Consolidated Statement of Profit and Loss

For the Year ended December 31, 1930

| | | |
|--|-----------------|-----------------|
| Sales..... | | \$49,872,455.61 |
| Less: | | |
| Cost of Sales, including Selling, Administrative and General Expense..... | \$43,607,422.25 | |
| Provision for Depreciation..... | 1,779,456.28 | 45,386,878.53 |
| Operating Profit..... | | \$4,485,577.08 |
| Other Income: | | |
| Dividends..... | \$65,854.31 | |
| Interest and Miscellaneous..... | 1,007,917.04 | 1,073,771.35 |
| Total Operating Profit and Other Income..... | | \$5,559,348.43 |
| Other Expenses: | | |
| Interest..... | \$1,165,188.33 | |
| Miscellaneous..... | 390,703.96 | 1,555,892.29 |
| Profit before Federal Income Tax..... | | \$4,003,456.14 |
| Provision for Federal Income Tax..... | | 325,059.92 |
| Net Profit..... | | \$3,678,396.22 |
| Deduct: | | |
| Equity of Minority Stockholders in Net Profit of The Midvale Company..... | | 641,772.37 |
| Net Profit accrued to The Baldwin Locomotive Works..... | | \$3,036,623.85 |

Consolidated Statement of Surplus

| | | |
|--|-----------------|------------------------|
| Surplus at January 1, 1930..... | | \$23,431,001.11 |
| Sundry Additions less Deductions..... | | 70,039.50 |
| Net Profit for the Year 1930 as above..... | | 3,036,623.85 |
| | | <u>\$26,537,664.46</u> |
| Deduct: | | |
| Dividends on Preferred Stock..... | \$1,400,000.00 | |
| Dividends on Common Stock..... | 1,431,512.67 | 2,831,512.67 |
| Surplus at December 31, 1930..... | | <u>\$23,706,151.79</u> |
| Consisting of Earned Surplus..... | \$16,950,332.88 | |
| and Capital Surplus..... | 6,755,818.91 | |

LYBRAND, ROSS BROS. & MONTGOMERY

ACCOUNTANTS AND AUDITORS
MORRIS BUILDING
PHILADELPHIA

To the Stockholders of THE BALDWIN LOCOMOTIVE WORKS

We have examined the accounts of The Baldwin Locomotive Works and its wholly owned subsidiaries, Standard Steel Works Company, Baldwin-Southwark Corporation and Southwark Foundry & Machine Company as at December 31, 1930. Reports of foreign branches have been submitted to us and we have received the certified financial statements of The Midvale Company prepared by Messrs. Arthur Young & Company.

Based on the foregoing, we certify that, in our opinion, the accompanying balance sheet and consolidated statements of profit and loss and surplus set forth correctly the consolidated financial position of the companies at December 31, 1930, and the results of operations for the year then ended.

LYBRAND, ROSS BROS. & MONTGOMERY
Accountants and Auditors

Philadelphia, Pa.,
February 9, 1931.

